



CELLULAR TELECOMMUNICATIONS & INTERNET ASSOCIATION

UNIVERSAL SERVICE PRESENTATION

January 31, 2002

OVERVIEW



- THE USF COALITION PROPOSAL WOULD UNFAIRLY BURDEN WIRELESS CARRIERS.
- THE COMMISSION SHOULD CONSIDER SEVERAL PROPOSALS IN ITS UPCOMING FURTHER NOTICE OF PROPOSED RULEMAKING, INCLUDING MINOR MODIFICATIONS TO THE STATUS QUO.
- ANY CONTRIBUTION MECHANISM CHOSEN BY THE COMMISSION MUST SATISFY SECTION 254(b)(4) OF THE ACT.

THE USF COALITION PROPOSAL WOULD UNFAIRLY BURDEN WIRELESS CARRIERS



- The USF Coalition (“IXC”) proposal fails a Section 254 analysis because it is neither “equitable” nor “non-discriminatory.”
 - Section 254 of the Act places an obligation on ALL carriers providing interstate/international services to fund universal service.
 - Under the IXC proposal, IXCs are not required to contribute.
 - Under the IXC proposal, CMRS contributions would more than double, unfairly burdening the wireless industry.

THE FCC SHOULD NOT USE THE USF PROCEEDING AS A MECHANISM TO ADDRESS IXC PROBLEMS



- Declining revenues may impact *how much* a carrier pays into the USF, but should not impact *whether* a carrier pays into the USF.
- It is not “equitable” or “non-discriminatory” to disproportionately shift the funding burden away from one segment of interstate carriers to another segment of interstate carriers.

THE COMMISSION SHOULD CONSIDER SEVERAL PROPOSALS IN ITS FURTHER NOTICE OF PROPOSED RULEMAKING



- The Commission should consider fully several proposals in addition to the IXC proposal.
 - The Commission should consider maintaining the wireless safe harbor.
 - The Commission should seek comment on the Sprint proposal.

Cont.

THE COMMISSION SHOULD CONSIDER SEVERAL PROPOSALS IN ITS FURTHER NOTICE OF PROPOSED RULEMAKING (cont.)



- The Commission should seek comment on the Sprint proposal with modifications. (e.g., LECs not collection agents for IXC; eliminate collect and remit).
- The Commission should seek comment on the current funding mechanism and possible modifications. (e.g. interstate revenues set using simplifying assumptions; safe harbor percentage).



CONCLUSION

- **The Commission's FNPRM should focus on more than the IXC proposal.**
- **The Commission should seek comment on the current system.**
- **Any mechanism chosen by the Commission must be competitively and technologically neutral.**